



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

A-570-928

Uncovered Innerspring Units from the People's Republic of China: Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce

PRELIMINARY DETERMINATION

The Department has preliminarily determined that uncovered innerspring units (“innersprings units”) completed and assembled in Malaysia by Reztec Industries Sdn Bhd (“Reztec”) using components from the People's Republic of China (“PRC”), and exported to the United States, are circumventing the antidumping duty order on innersprings from the PRC, as provided in section 781(b) of the Tariff Act of 1930, as amended (“the Act”).¹

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Susan Pulongbarit or Steven Hampton, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4031 or (202) 482-0116, respectively.

¹ See *Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009) (“Order”).

SUPPLEMENTARY INFORMATION:

Scope of the Antidumping Duty Order

The merchandise subject to the order is uncovered innerspring units.² The product is currently classified under subheading 9404.29.9010 and has also been classified under subheadings 9404.10.0000, 7326.20.0070, 7320.20.5010, 7320.90.5010, or 7326.20.0071 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.³

Scope of the Anticircumvention Inquiry

The products covered by this inquiry are innerspring units, as described above, that are manufactured in Malaysia by Reztec with PRC-origin components and other direct materials, such as helical wires, and that are subsequently exported from Malaysia to the United States.

Methodology

The Department has conducted this preliminary determination of circumvention in accordance with section 781(b) of the Act and 19 CFR 351.225(h). For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/> and is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room

² See Memorandum to Paul Piquado, Assistant Secretary for Import Administration, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled “Anticircumvention Inquiry Regarding the Antidumping Duty Order on Uncovered Innerspring Units from the People’s Republic of China: Preliminary Determination Decision Memorandum for Reztec Industries Sdn Bhd” which is dated concurrently with this notice (“Preliminary Decision Memorandum”) for a complete description of the scope of the *Order*.

³ See *Order*, 74 FR at 7661.

7046 of the main Department of Commerce building. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. The Preliminary Decision Memorandum is hereby adopted by this notice.

Preliminary Findings

As detailed in the Preliminary Decision Memorandum, the Department has preliminarily determined, using partial adverse facts available, that innerspring units completed and assembled in Malaysia by Reztec using components from the PRC and exported from Malaysia to the United States are circumventing the *Order*. Moreover, because Reztec cannot distinguish between those innerspring units it is exporting to the United States which contain PRC-origin components and those that do not, the Department has preliminarily determined that it is appropriate to instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of innerspring units from Malaysia produced by Reztec as subject to the *Order*.⁴

Suspension of Liquidation

In accordance with 19 CFR 351.225(l)(2), the Department will direct CBP to suspend liquidation and to require a cash deposit of estimated duties at the rate applicable to the exporter, on all unliquidated entries of innerspring units produced by Reztec that were entered, or withdrawn from warehouse, for consumption on or after May 23, 2012, the date of initiation of the anticircumvention inquiry.⁵

Should the Department conduct an administrative review in the future, and determine in the context of that review that Reztec did not produce for export innerspring units using PRC-origin innerspring components, the Department will consider initiating a changed circumstances

⁴ See Preliminary Decision Memorandum, at 15.

⁵ *Id.*, at 16.

review pursuant to section 751(b) of the Act to determine if the continued suspension of all innerspring units produced by Reztec is warranted.⁶

Notification to the International Trade Commission

The Department, consistent with section 781(e) of the Act and 19 CFR 351.225(f)(7)(i)(B), has notified the International Trade Commission (“ITC”) of this preliminary determination to include the merchandise subject to this anticircumvention inquiry within the *Order*. Pursuant to section 781(e) of the Act, the ITC may request consultations concerning the Department’s proposed inclusion of the subject merchandise. If, after consultations, the ITC believes that a significant injury issue is presented by the proposed inclusion, it will have 15 days to provide written advice to the Department.

Public Comment

Because the Department may seek additional information, the Department will establish the case and rebuttal brief schedule at a later time and will notify parties of the briefing schedule in accordance with 19 CFR 351.309(b). Case and rebuttal briefs, when submitted, must comport with the requirements contained in 19 CFR 351.309(c)(2) and (d)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, filed electronically via IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department’s electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice.⁷

Requests should contain: (1) the party’s name, address and telephone number; (2) the number of

⁶ See, e.g., *Certain Tissue Paper Products From the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 76 FR 47554 (August 5, 2011).

⁷ See 19 CFR 351.310(c).

participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.

Final Determination

The final determination with respect to this anticircumvention inquiry, including the results of the Department's analysis of any written comments, will be issued no later than August 16, 2013, unless extended.

This preliminary affirmative circumvention determination is published in accordance with section 781(b) of the Act and 19 CFR 351.225.

Dated: July 2, 2013.

Paul Piquado
Assistant Secretary
for Import Administration

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